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Government of Saskatchewan

Annual Report 1981-82

Saskatchewan Agriculture

The Market Development Fund

The Saskatchewan Market Development Fund

To His Honour,
The Honourable C. Irwin McIntosh
Lieutenant Governor of the Province of Saskatchewan

Sir:

I have the honour to submit the Eighth Annual Report of the Saskatchewan Market Development Fund for the period April 1, 1981 to March 31, 1982.

I have the honour to be, Sir,

Your obedient servant
Eric Berntson
Minister of Agriculture

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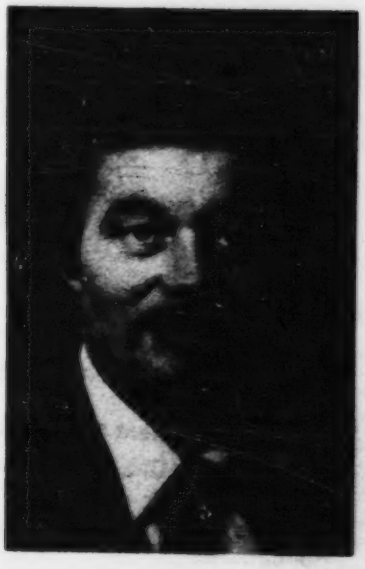
The Saskatchewan Market Development Fund



Honourable Eric Berntson
Minister of Agriculture

Dear Sir:

It is my pleasure to present the Eighth Annual Report of the Saskatchewan Market Development Fund for the period April 1, 1981 to March 31, 1982.

Respectfully submitted
Jack Drew
Deputy Minister of Agriculture

The Saskatchewan Market Development Fund

Jack Drew
Deputy Minister of Agriculture

Dear Sir:

I am pleased to present the Eighth Annual Report of the Saskatchewan Market Development Fund for the period April 1, 1981 to March 31, 1982.

Respectfully submitted
G. G. Pearson
Chairman of the
Market Development Committee

Constitution of the Market Development Committee

Market Development Committee

G. G. Pearson — Chairman — Saskatchewan Agriculture

J. D. Saum — Vice Chairman — Saskatchewan Agriculture

L. G. Cooper — Saskatchewan Finance

I. W. Sinclair — Saskatchewan Industry and Commerce

J. A. Buchan — Saskatchewan Agriculture

V. D. Fritzler — Secretary — Saskatchewan Agriculture

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I. Organization

The Market Development Fund is established under The Agricultural Products Market Development Fund Act, 1974 which was proclaimed by the Lieutenant Governor-in-Council on February 4, 1975. Regulations further defining activities of the Fund were made by Order-in-Council on April 29, 1975. Monies allocated for the purpose of the Market Development Fund are provided as an appropriation in the Department of Agriculture budget. In 1981-82, funds totalling $250,000 were appropriated to that account.

The Fund is administered by the Market Development Committee which is established under the Act and is comprised of representatives from the Departments of Agriculture, Finance, and Industry and Commerce. The Market Development Fund Co-ordinator, a staff position in the Marketing and Economics Division, Saskatchewan Agriculture, serves as Secretary and is responsible for providing administrative support to the Committee.

II. Objectives

The Market Development Fund has been established to provide assistance to encourage the exploration, development and expansion of markets for agricultural products produced or capable of being produced in Saskatchewan. Assistance from the Fund is available on a cost-shared basis to individuals, corporations, co-operatives or marketing agencies for the following purposes: trade development; product or process development; marketing intelligence; marketing research, business and feasibility studies; transport capability development. Assistance may take the form of grants, loans, forgivable loans, goods or services.

III. Activities of the Fund

During the year under review, the Market Development Fund provided financial assistance to a wide range of projects. Projects receiving support included a number of international trade exhibits and marketing missions, domestic and international market promotions, product and process development projects, as well as several marketing and business feasibility studies. Several of the projects are longer term and assistance will span several years; others were initiated and completed during the year.

A. Trade Shows and Exhibitions

The Market Development Fund has provided financial assistance towards attendance and participation in a number of trade shows and exhibitions over the last several years in order to promote the development and expansion of markets for Saskatchewan food and agricultural products. In the year under review assistance was provided as follows:

1981 Royal Livestock Show, Stoneleigh
To Canadian Western Agribition $4,022 to attend the 1981 Royal Livestock Show in Stoneleigh, England to promote Saskatchewan livestock and semen sales and encourage participants to attend Agribition in the fall.

1981 Royal Agricultural Society of the Commonwealth Conference, England
To Canadian Western Agribition $2,829 to attend the 1981 Royal Agricultural Society of the Commonwealth Conference in Bath, England to promote the sale of Saskatchewan livestock and encourage attendance at Agribition in the fall.

1981 International Chianina Congress, Calgary
$6,000 in assistance to the Saskatchewan Chianina Association to host several promotional events at the 1981 International Chianina Congress in Calgary, Alberta in order to encourage sales of Saskatchewan Chianina.

Anuga '81 Food Show, Germany
$2,600 to Sid's Sunflower Seeds (1974) Ltd. to attend the Anuga '81 Show in Cologne, Germany to promote and develop international markets for Saskatchewan sunflower seed products, and to represent other Saskatchewan products on display at the Show as well.

1982 Livestock Marketing Congress
To Saskatchewan Wheat Pool $15,000 to assist the organization in hosting and co-ordinating a Livestock Marketing Congress Conference in Regina, Saskatchewan, during June, 1982. The Livestock Merchandising Institute of Kansas City, Missouri, annually holds the Conference featuring distinguished speakers from all sectors of the livestock industry and attracting livestock people from all over North America.

B. Marketing Missions

Since its establishment, the Market Development Fund has supported a number of marketing missions involving both incoming and outgoing groups. These marketing missions are undertaken in an effort to develop and expand markets for Saskatchewan food and agricultural products. The effectiveness of such missions is frequently enhanced when undertaken in conjunction with other related marketing activities. A sequence in the development of markets may often involve 1) an outgoing market identification mission, 2) a follow-up seminar, 3) participation in a trade fair or show, and 4) an incoming mission of potential buyers. In the year under review assistance was provided as follows:

1981 International Incoming Mission to Agribition
To Canadian Western Agribition, $15,284 to invite foreign buyers and delegates to Agribition '81 in order to promote recognition of Agribition as a major international livestock event, and to encourage international sales of Saskatchewan livestock. Canadian Western Agribition represents a tremendous opportunity for Western Canada, and for Saskatchewan in particular, to demonstrate the high quality of breeding stock producers have available for sale.

1980 Brazilian Cattle Buyers Incoming Mission
$6,000 to the Saskatchewan Hereford Association to assist the organization in bringing sixteen buyers of purebred cattle from Brazil to Saskatchewan. The buyers attended a number of purebred cattle sales held throughout the province.

Saskatchewan Food Firms Mission to Export Seminar, Lake Louise
$7,587 to the Saskatchewan Food Producers and Processors Committee consisting of representatives from:

Moss Food Processing Ltd.
Saskatchewan Hog Marketing Commission
Honey Cutter Industries
Mark Wings Noodle Manufacturing
Saskatoon Fresh Pack Potatoes Ltd.
Western Noodle Co. Ltd.
Sid's Sunflower Seeds (1974) Ltd.
Kitsaki Smoked Fish
Intercontinental Packers Ltd.
La Ronge Industries Ltd.
Kissel Cabbage Corporation
Empire Meat Packers

to attend an export seminar in Lake Louise, Alberta during September, 1981 to promote and develop markets for Saskatchewan food products by displaying them directly to senior personnel within the Safeway marketing chain.

Swine Market Development, Puerto Rico
$3,000 in assistance to the Agricultural Development Corporation of Saskatchewan to travel to Puerto Rico and the Dominican Republic to negotiate the sale of Saskatchewan swine breeding stock and enhance the transfer of swine technology.

C. Agricultural Market Promotion

Marketing involves co-ordination of a series of activities often undertaken simultaneously or at various stages of development of a market. One activity in this sequence is the development and delivery of an effective promotion program.

In previous years the Market Development Fund has provided financial assistance to several agriculture related promotion programs in Saskatchewan. In the year under review there were a number of projects which involved varying degrees of promotional activities; assistance was provided as follows:

1981 International Advertising of Agribition in U.S.A.
$4,924 in assistance to Canadian Western Agribition to launch an advertising campaign throughout the United States encouraging American buyers to attend Agribition and purchase Saskatchewan breeding stock.

Bull Semen Market Development Program
To Saskatchewan Artificial Breeders Co-operative Ltd. $3,262 to promote and develop new markets for the custom collection and sale of bull semen from the Yorkton A.I. unit by developing and distributing promotional literature and sire catalogues relating to all major breeds available in Saskatchewan.

Artificial Breeders Co-op Breed Promotion Project
$5,106 to Saskatchewan Artificial Breeders Co-operative Ltd. to develop single page advertising brochures to promote the sale of semen from the various breeds of bulls available at the Yorkton A.I. unit.

Quarter Horse Promotion and Market Development
To the Saskatchewan Quarter Horse Association $1,000 to develop a brochure promoting the high quality and versatility of Saskatchewan Quarter Horses. The brochure is being used by the Association as a promotional item at major international livestock events and is available for distribution during incoming and outgoing sales missions.

Churchill Park Greenhouse Market Development
To the Churchill Park Greenhouse Co-operative Association $2,212 to promote and develop local markets for the vegetable and bedding plant products grown at the Moose Jaw greenhouse facility.

Vegetable Oil Promotion, Japan
$2,000 in assistance to the Canola Council of Canada to become involved in a three year campaign to promote greater consumption of vegetable oils in Japan, thereby encouraging increased sales of Saskatchewan Canola to Japan.

Pulse Growers Association Pulse Marketing Project
To the Saskatchewan Pulse Crop Growers Association $11,901 to promote Saskatchewan pulse crops in domestic and international markets. Project activities include preparation of an institutional cookbook, promotional brochures and publications, and general information releases promoting Saskatchewan pulse crops.

Peter's Perogies Saskatchewan Market Development
To Peter's Perogies Inn $2,913 to promote and expand local Saskatchewan markets for its processed food products.

October Pork Month Promotion Project
$15,000 in assistance to the Saskatchewan Pork Council to undertake a major advertising and promotion campaign for Saskatchewan Pork during the month of October, 1981.

Zedako Market Test and Promotion
$4,400 to Bymac Foods Inc. to undertake a market test and promotional program in order to develop markets for Zedakos, a specialty food made from pita bread, lean beef, tomatoes, onions and sauce.

Saskatchewan Food and Farm Products Directory
To the Saskatchewan Products Promotion Committee $930 to prepare a Saskatchewan Food and Farm Products Directory for use by organizations involved in domestic and international trade.

D. Packaging, Product and Process Development

Saskatchewan has traditionally played the role of major producer and exporter of agricultural raw materials. In keeping with the policy of agricultural diversification and establishment of value-added industry in the province, the government is encouraging the development of domestic and export markets for Saskatchewan processed products. One of the prime objectives of the Market Development Fund is to stimulate the diversification of the agricultural base and encourage value-added processing here in Saskatchewan. In the year under review the Market Development Fund has supported a number of projects which encourage further processing and packaging of our raw materials; assistance was provided as follows:

Sunflower Hull Product and Market Study
$8,500 in assistance to the Agricultural Development Corporation of Saskatchewan to examine the potential for developing a sunflower seed dehulling operation in the province.

Sunflower Processing and Product Development
To C.S.P. Foods Ltd. $35,749 to undertake product and process development and market testing of a new processed sunflower product.

Product Improvement Process Canola Oil
To C.S.P. Foods Ltd. $40,000 to develop and improve quality control techniques for processing Canola oil in order to maintain and increase market potential.

Dehydrated Cereal Feeds Product and Market Development
$7,939 to The Alfalfa Group to develop a dehydrated pelletized barley feed product and to promote and develop domestic and international markets for the product.

E. Market Intelligence, Research, Business and Feasibility Studies

Market intelligence and feasibility research involves systematically collecting, recording and analysing data about problems related to the marketing of goods and services. The ability to produce a product is only one step in the marketing chain; a business must also know that a product can fulfill a market need and generate a reasonable return. The intricacies involved in marketing a product are complex and many facetted and it is wise for an operator to undertake the task of finding out about the market system, competition and feasibility of production prior to investigating production facilities. The Market Development Fund has, in the year under review, supported a number of projects to help individuals and organizations compete with foreign exporters' products as well as understand the marketing systems in which they have to compete. Market Development Fund assistance was provided to the following organizations to improve marketing information:

Saskatchewan Vegetable Industry Developmental Study
$27,600 in assistance to the Saskatchewan Vegetable Marketing Commission to engage a consultant to undertake a study of the vegetable industry in Saskatchewan and formulate a developmental plan for the industry.

Pacific Rim Market Potential Study for Saskatchewan Processed Products
To the Pacific Rim Study Committee $58,590 to identify and evaluate potential markets in selected Pacific Rim countries for new and existing processed agricultural and food products from Saskatchewan, and to develop a detailed strategy for Saskatchewan to effectively exploit these Pacific Rim countries.

Organic Food Products Market Analysis Study
$2,500 to the Organic Food Market Study Committee to engage a consultant to undertake a market research study of organic food products. The study provided information on potential markets, production capabilities, prices, grades and standards, and marketing systems for organic food products.

Melfort Co-op Greenhouse Feasibility Study
To the Department of Co-operation and Co-operative Development $8,500 to engage a consultant to undertake a market analysis and financial feasibility study of the Melfort Greenhouse and Market Garden Co-operative. The study also provided a description of the greenhouse industry and market in Saskatchewan.

Dehy Feeding Trials Rumen By-Pass NEADRA
$500 in assistance to the North-East Alfalfa Dehydrators Research Association to assess the rumen by-pass potential of protein in dehydrated alfalfa dairy cow rations. The results are being used to promote the use of dehy in dairy rations.

Laird Lentil Evaluation and Market Development Project
To the Agricultural Development Corporation of Saskatchewan $7,017 to conduct cooking characteristic evaluation tests for use in promoting the Laird lentil variety in world markets.

Saskatchewan Packaged Pulse Products Feasibility Study
To CanMar Grain Inc. and R.K. Sunview Farms Ltd. $4,342 to determine the feasibility of packaging and marketing Saskatchewan dry pulse products through retail stores in Canada.

F. Other

One of the activities assisted by the Fund over the past year does not fit neatly into the categories described so far; this project is described below:

Saskatchewan Vegetable Marketing Program
The Market Development Fund provided $6,716 matching grant assistance to the Saskatchewan Vegetable Marketing Commission to aid in developing a marketing system for Saskatchewan vegetable producers.

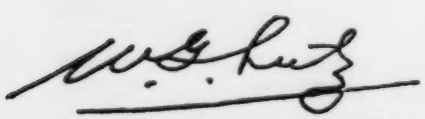
IV. Auditor's Report and Market Development Fund Financial Statements

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Market Development Fund as at March 31, 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1982 and the results of its operations for the year then ended in accordance with the stated accounting policies applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan,
May 20, 1982.

Statement 1

The Market Development Fund
Balance Sheet
March 31, 1982

	1982	1981
Assets		
Due from Consolidated Fund (Note 5)	$339,381	$413,285
Fund Balance		
Fund balance, beginning of year	$413,285	$456,891
Excess of expenditure over revenue (Statement 2)	73,904	43,606
Fund balance, end of year	$339,381	$413,285

(See accompanying notes to financial statements)

Statement 2

The Market Development Fund
Statement of Revenue and Expenditure
Year Ended March 31, 1982

	1982	1981
Revenue		
Transferred from the Department of Agriculture	$250,000	$350,000
Refunds of previous years' expenditures	19	9,559
Refunds of project advances	—	2,834
	250,019	362,393
Expenditure		
Financial assistance (Schedule 1) (Note 3)	323,923	405,153
Administration costs (Note 2)	—	846
	323,923	405,999
Excess of expenditure over revenue — to Statement 1	$ 73,904	$ 43,606

(See accompanying notes to financial statements)

The Market Development Fund
Notes to Financial Statements
March 31, 1982

1. **Authority**

The Market Development Fund is a special purpose fund established under the provisions of The Agricultural Products Market Development Fund Act. The fund consists of monies transferred to it from sums appropriated for that purpose in the consolidated fund. The Market Development Committee, also established under terms of this act, may make grants and loans considered necessary for the promotion and development of markets for agricultural products produced or to be produced in the province. Assistance is provided by the Committee subject to approval of the Minister of Agriculture.

2. **Accounting Policies**

The accounts of the Fund are maintained on a cash basis whereby revenue is recorded as received and financial assistance is recorded when paid.

In some cases, recipients may be required under certain conditions to repay all or a portion of assistance received from the Fund. In other cases, recoveries of financial assistance may be received from third parties pursuant to provisions of agreements entered into with the Committee. Where assistance recoverable from third parties is outstanding at year end, such amounts are classified as project advances. Repayments from recipients or from third parties are appropriately classified as refunds in the year repayment is received.

Certain projects have been co-sponsored by the Committee and the Federal Department of Regional Economic Expansion with the total assistance in each case being financed initially from the Market Development Fund. The federal portion of assistance in such instances is paid directly to the Consolidated Fund, in accordance with policies established by the Department of Finance.

Administration costs are paid by the Department of Agriculture with the exception of certain costs of printing and professional services provided directly for the benefit of the Market Development Committee. No provision for the costs borne by the Department is included in the financial statements.

3. **Financial Assistance Recoverable**

The following schedule summarizes the amounts of financial assistance paid in the current and previous years which remains subject to repayment by recipients under certain conditions:

Fiscal Year Assistance Paid	Amount Subject to Repayment April 1, 1981	Current Year Payments (Repayments)	Amounts Earned or Written Off	Amount Subject to Repayment March 31, 1982
1978/79	$ 4,851	$ (19)	$ (4,832)	$ —
1979/80	7,250	—	—	7,250
1980/81	48,875	—	(7,201)	41,674
1981/82	—	57,898	—	57,898
	$ 60,976	$ 57,879	$ (12,033)	$106,822

4. **Outstanding Project Commitments**

As applications for financial assistance are considered and approved by the Market Development Committee and the Minister, the projects are considered to be committed for administrative purposes although payments may be subject to the satisfaction of certain conditions or may be payable from monies appropriated to the Fund in future periods. The total of outstanding project commitments at March 31, 1982 was $328,665 (1981 — $445,709).

5. **Due from Consolidated Fund**

Pursuant to a Minister of Finance Order, the monies in the Market Development Fund have been deposited to the credit of the Fund at no interest in the Consolidated Fund of the Province.

Schedule 1
The Market Development Fund
Schedule of Financial Assistance
Year Ended March 31, 1982

Applicant	Project	Payments in 1981-82
Saskatchewan Vegetable Marketing Commission	Saskatchewan Vegetable Marketing Program	$ 6,716
Agricultural Development Corporation	Sunflower Hull Product and Market Study	8,500
Saskatchewan Products Promotion Committee	Saskatchewan Food and Farm Products Directory	930
Saskatchewan Artificial Breeders Co-operative Ltd.	Bull Semen Market Development Program	3,262
Saskatchewan Wheat Pool	1982 Livestock Marketing Congress	15,000
Organic Food Market Study Committee	Organic Food Products Market Analysis Study	2,500
Saskatchewan Artificial Breeders Co-operative Ltd.	Artificial Breeders Co-op Breed Promotion Project	5,106
North East Alfalfa Dehydrators Research Association	Dehy Feeding Trials Rumen By-Pass NEADRA	500
C.S.P. Foods Ltd.	Product Improvement Process Canola Oil	40,000
Saskatchewan Hereford Association	1980 Brazilian Cattle Buyers Incoming Mission	6,000
Agricultural Development Corporation	Swine Market Development, Puerto Rico	3,000
Churchill Park Greenhouse Co-operative Association	Churchill Park Greenhouse Market Development	2,212
Agricultural Development Corporation	Laird Lentil Evaluation and Market Development Project	7,017
Department of Co-operation and Co-operative Development	Melfort Co-op Greenhouse Feasibility Study	8,500
Peter's Perogies Inn	Peter's Perogies Saskatchewan Market Development	2,913
C.S.P. Foods Ltd.	Sunflower Processing and Product Development	35,749
Saskatchewan Pulse Crop Growers Association	Pulse Growers Association Pulse Marketing Project	11,901
The Alfalfa Group	Dehydrated Cereal Feeds Product and Market Development	7,939
Saskatchewan Chianina Association	1981 International Chianina Congress, Calgary	6,000
Pacific Rim Study Committee	Pacific Rim Market Potential Study for Saskatchewan Processed Products	58,590
Saskatchewan Vegetable Marketing Commission	Saskatchewan Vegetable Industry Developmental Study	27,600
Canadian Western Agribition	1981 Royal Livestock Show, Stoneleigh	4,022
Canadian Western Agribition	1981 Royal Agricultural Society of the Commonwealth Conference, England	2,829
Canola Council of Canada	Vegetable Oil Promotion, Japan	2,000
Sid's Sunflower Seeds (1974) Ltd.	Anuga '81 Food Show, Germany	2,600
Canadian Western Agribition	1981 International Advertising of Agribition in U.S.A.	4,924

Applicant	Project	Payments in 1981-82
Saskatchewan Food Producers and Processors Committee	Saskatchewan Food Firms Mission to Export Seminar, Lake Louise	7,587
Saskatchewan Pork Council	October Pork Month Promotion Project	15,000
Bymac Foods Inc.	Zedako Market Test and Promotion	4,400
Canadian Western Agribition	1981 International Incoming Mission to Agribition	15,284
Saskatchewan Quarter Horse Association	Quarter Horse Promotion and Market Development	1,000
CanMar Grain Inc. and R.K. Sunview Farms Ltd.	Saskatchewan Packaged Pulse Products Feasibility Study	4,342
		$ 323,923